

ANCHOR

NAVIGATING
CHANGE

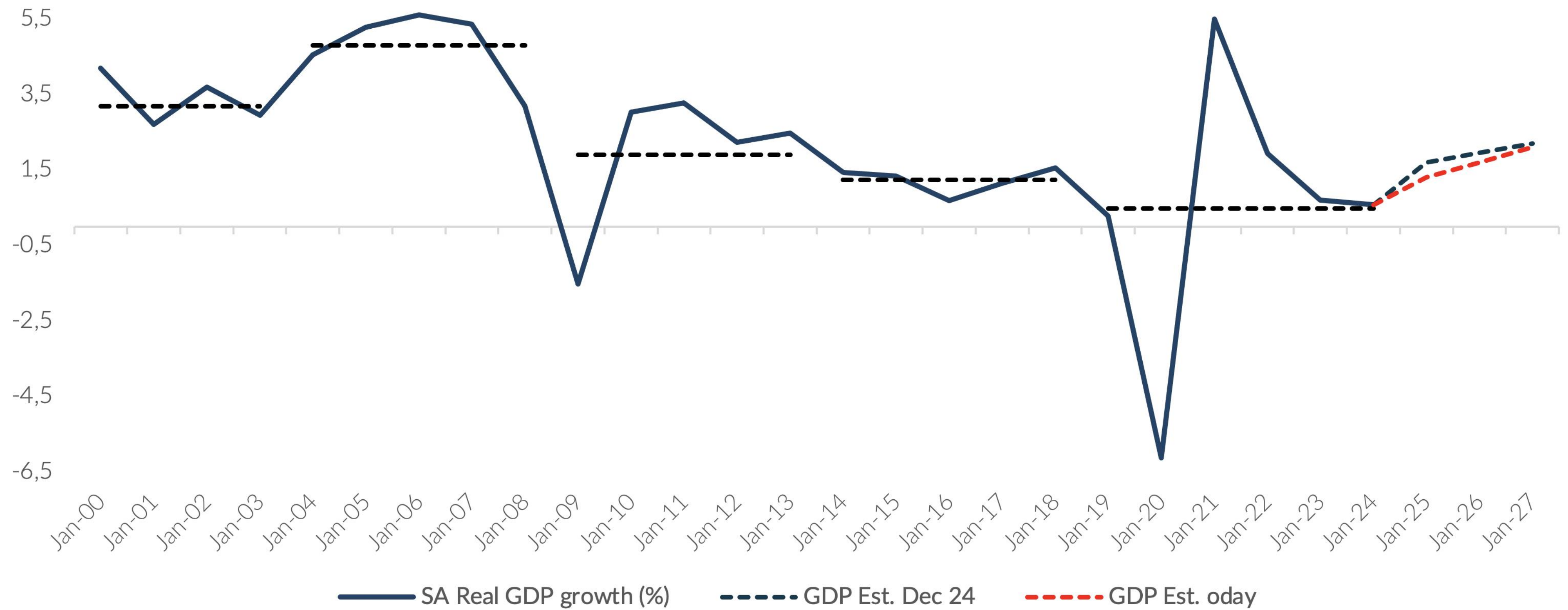
BCI Global Investment Conference

BACK TO INVESTING IN THE SLOW LANE

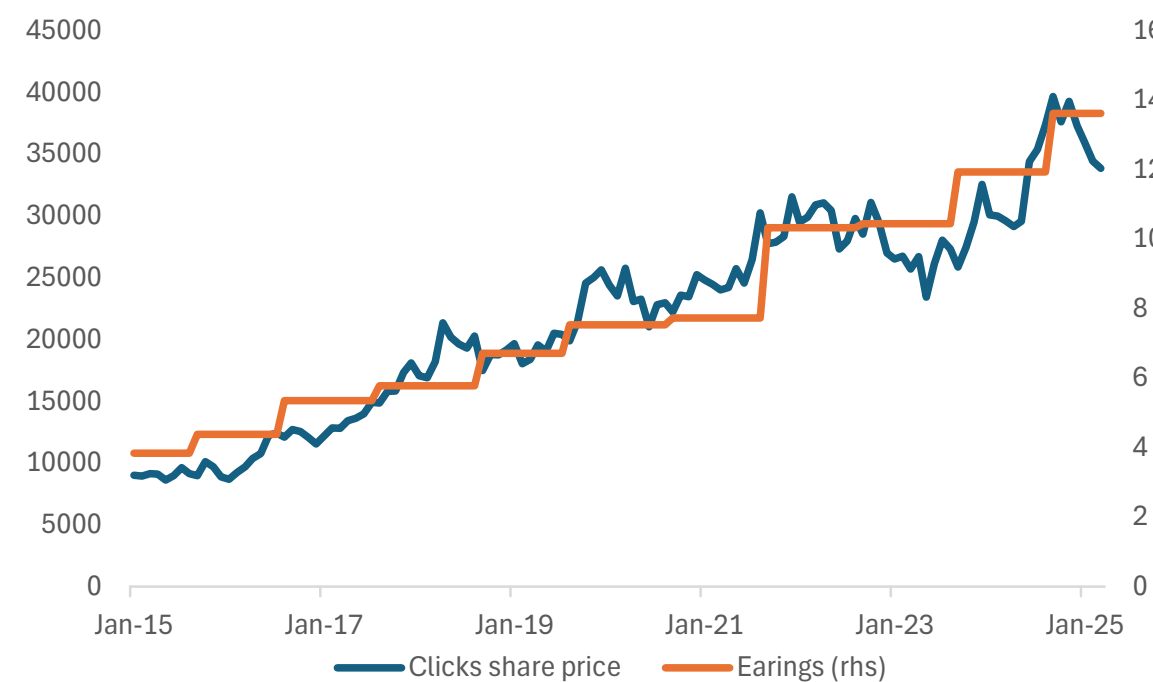
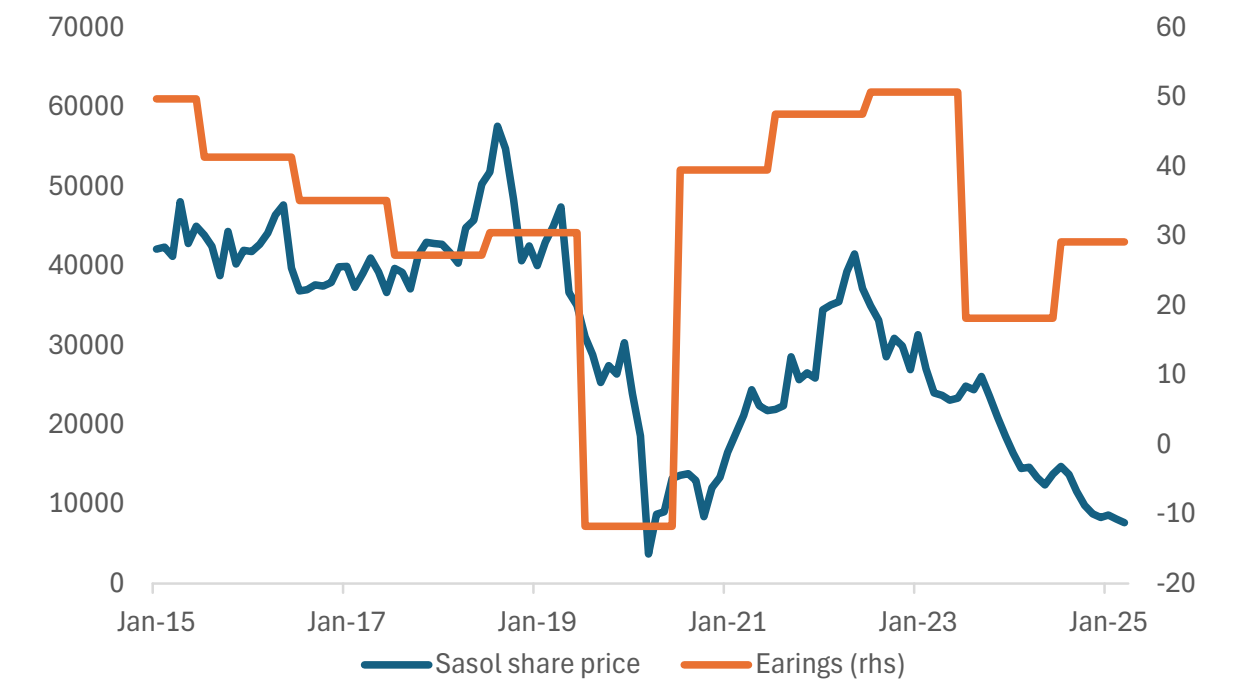
Mike Gresty

Fund Manager

POST-ELECTION OPTIMISM STEADILY RECEDING...



AT RISK OF STATING THE OBVIOUS...



WHERE DO THE OPPORTUNITIES FOR GROWTH LIE?

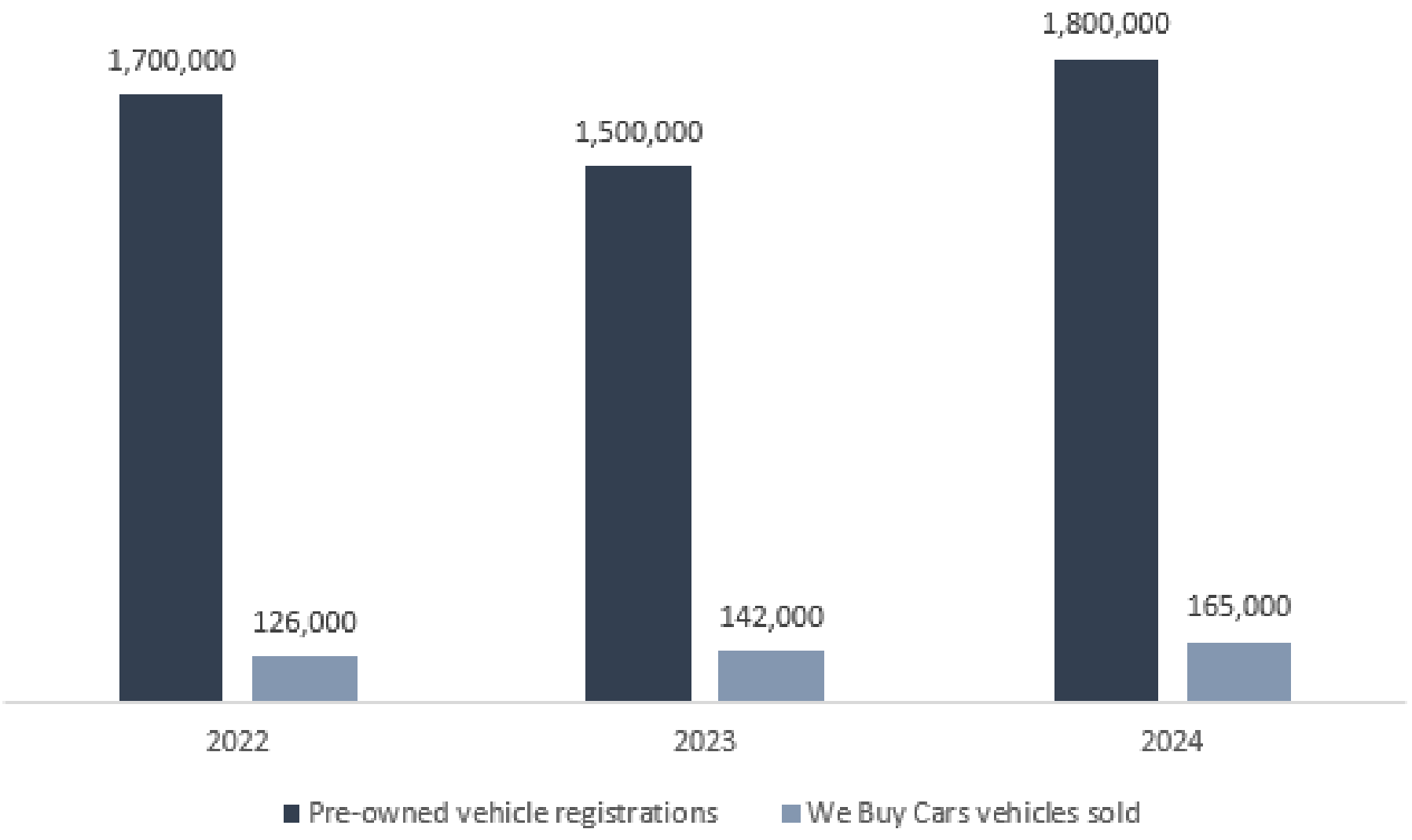
- Successful acquirers
- Companies that still have clear domestic “white space” into which to grow
- Potential to capitalize on public sector weakness
- Self-help situations
- Past investment set to drive strong growth over coming years
- Successful global businesses that happen to be listed here
- Best-in-class industry players gaining market share



CLEAR DOMESTIC EXPANSION POTENTIAL



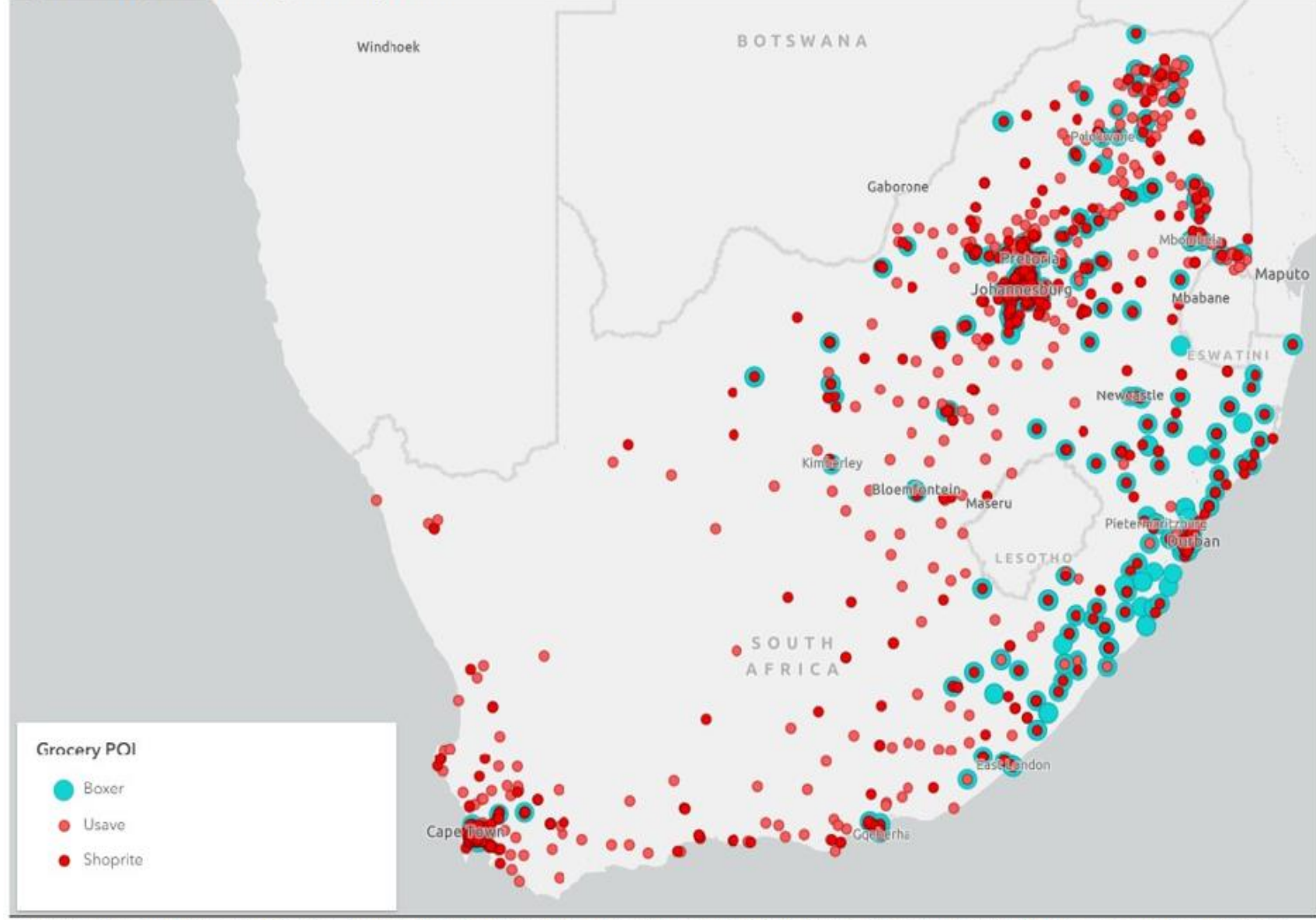
We Buy Cars implied market share is c.9%; Competition Commission issues at around 45% market share



Source: Company Data, Anchor Capital



Figure 3: Boxer, Usave and Shoprite store presence



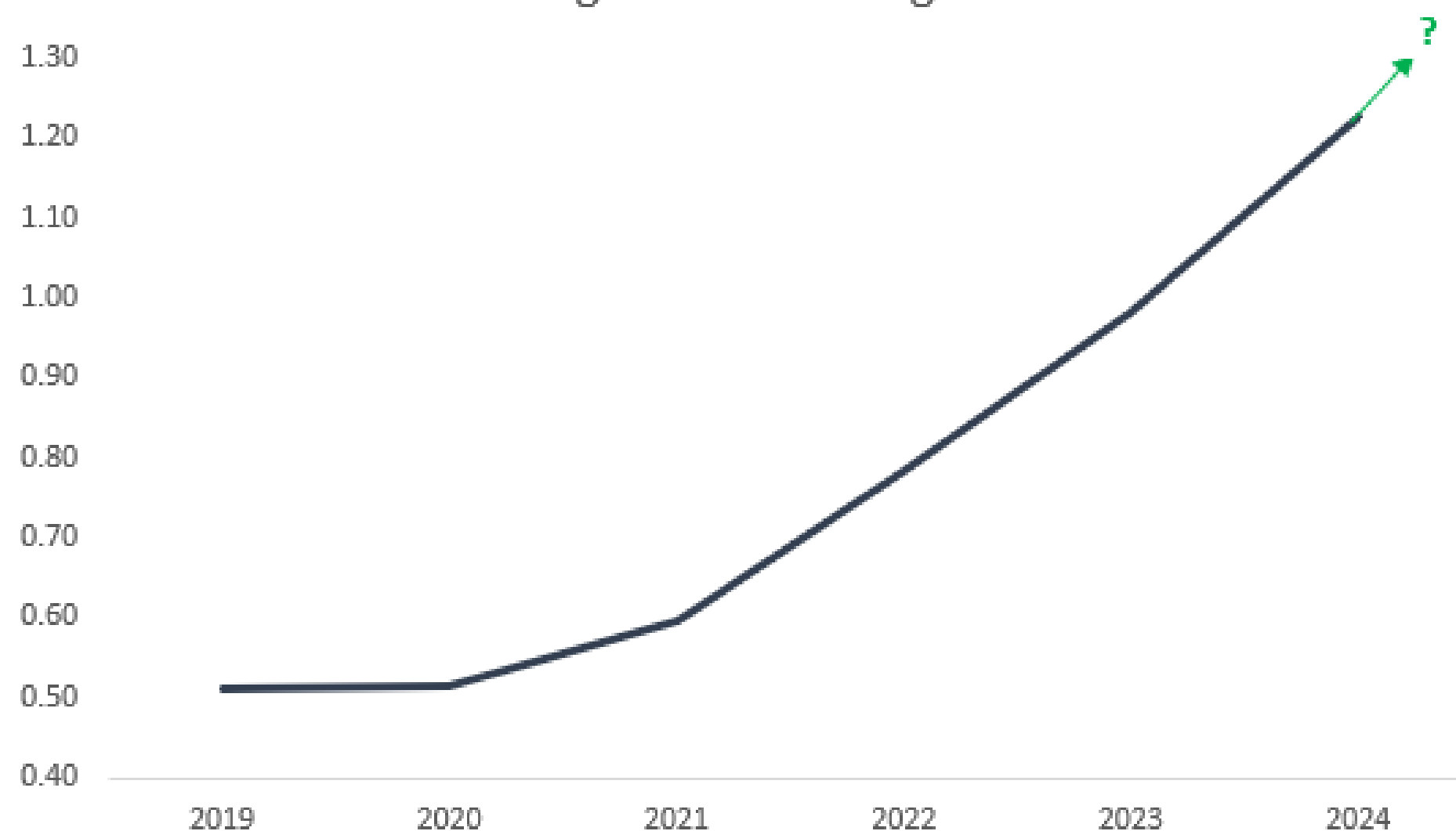
Source: In Real Life; Note: * The size of the bubbles does not represent just how concentrated the stores are: The reason Boxer's bubbles are larger than the others because if they were the same size, it becomes very difficult to see their exposure outside of KwaZulu Natal (KZN) and the Eastern Cape

Source: Absa Research

SUCCESSFUL ACQUIRERS...



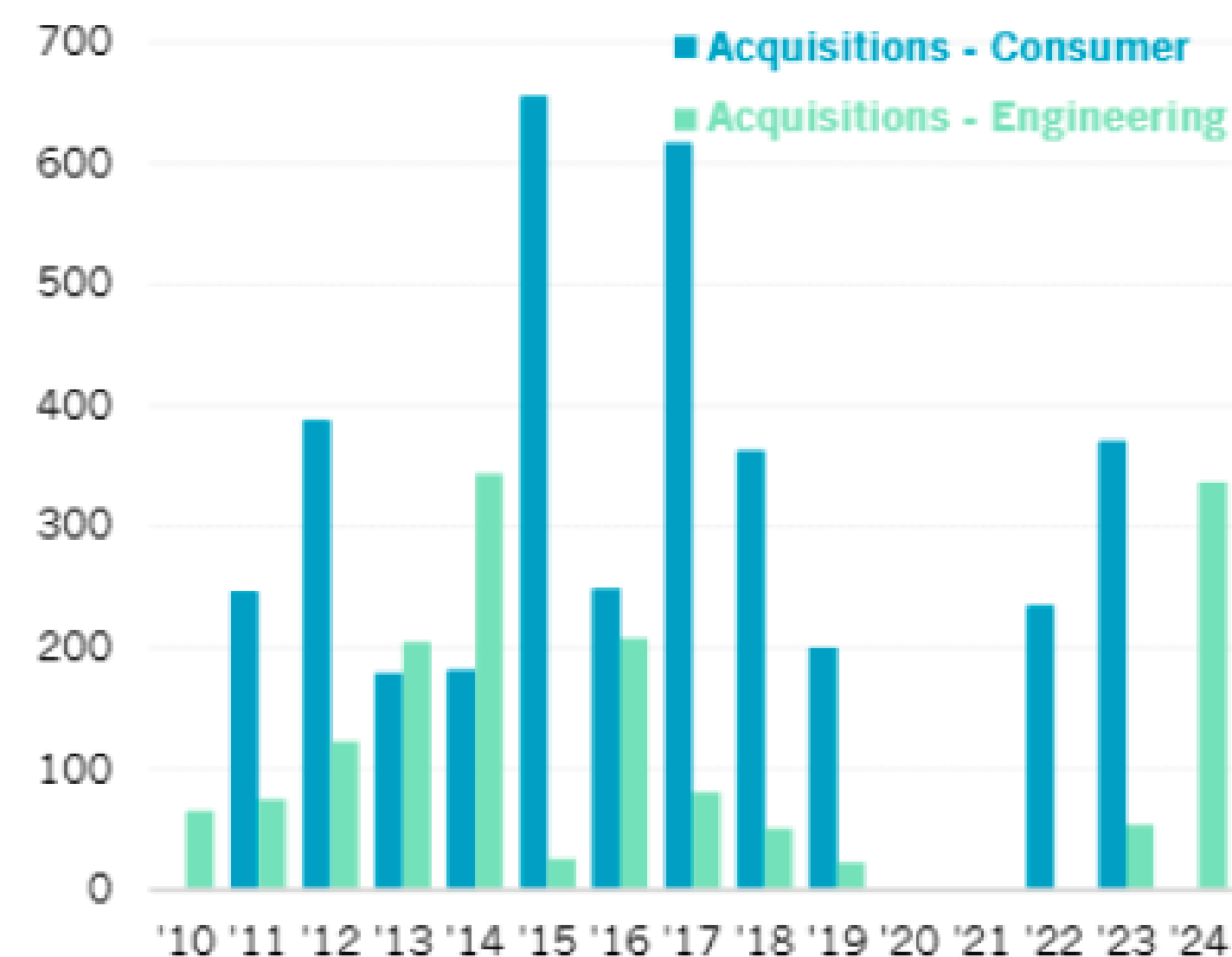
CA Sales headline earnings per share has doubled over the past three years, nothing to suggest acquisitions or growth is slowing



Source: Company Data, Anchor Capital



Acquisitions have resumed post COVID-19
Turnover from acquisitions by division (ZAR'm)

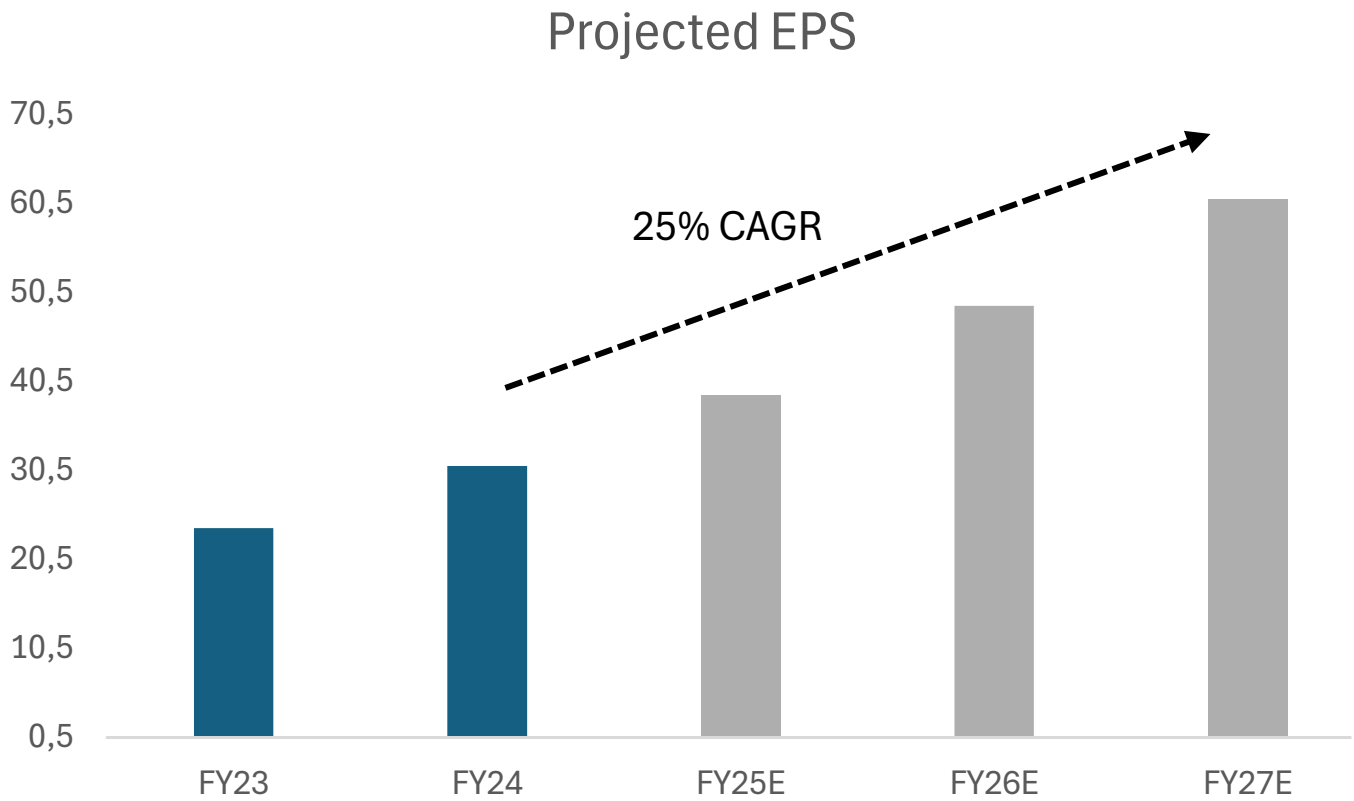


Source: Company data, Avior Capital Markets

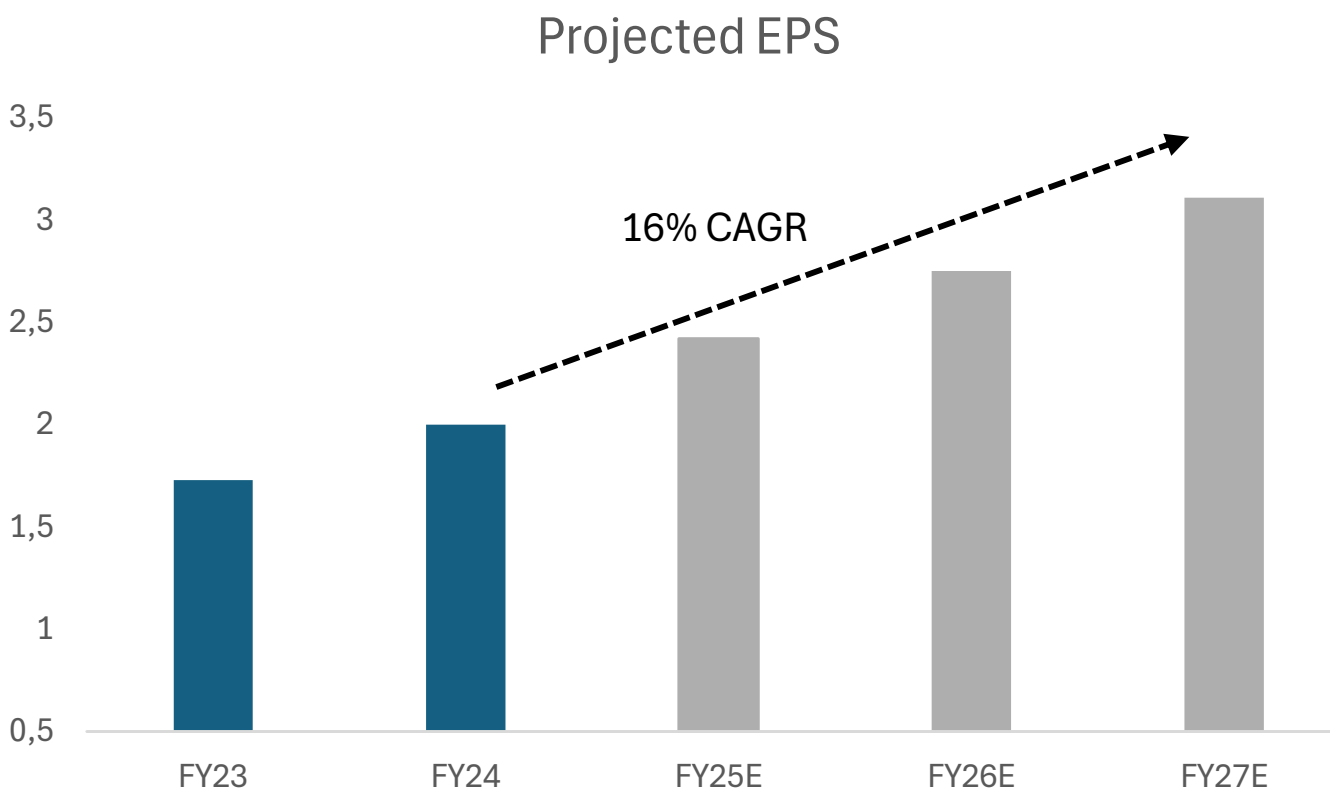


CAPITALISING ON PUBLIC SECTOR WEAKNESS

First-year university applications		
A total of 337 158 matrics achieved admission to Bachelor studies. But, due to limited places, universities won't be able to accommodate them all.		
	Applications	Places
University of Johannesburg	693,990	10,500
Cape Peninsula University of Technology	518,309	9,235
North-West University*	390,000	12,937
Walter Sisulu University	380,000	7,300
University of Pretoria	355,829	9,000
Vaal University of Technology	330,302	5,558
University of Limpopo	304,856	4,995
University of KwaZulu-Natal	290,600	8,600
Tshwane University of Technology	245,000	15,000
Nelson Mandela University	207,089	7,500
Durban University of Technology	147,076	9,454
University of Venda	120,687	3,684
University of the Western Cape	120,000	4,705
Mangosuthu University of Technology	103,483	3,223
University of Cape Town	98,844	4,500
Stellenbosch University	90,027	6,005
Wits University**	86,000	6,000
Sol Plaatje University	48,974	2,273
Rhodes University	19,650	1,518



Source: Anchor forecasts



Source: Bloomberg consensus



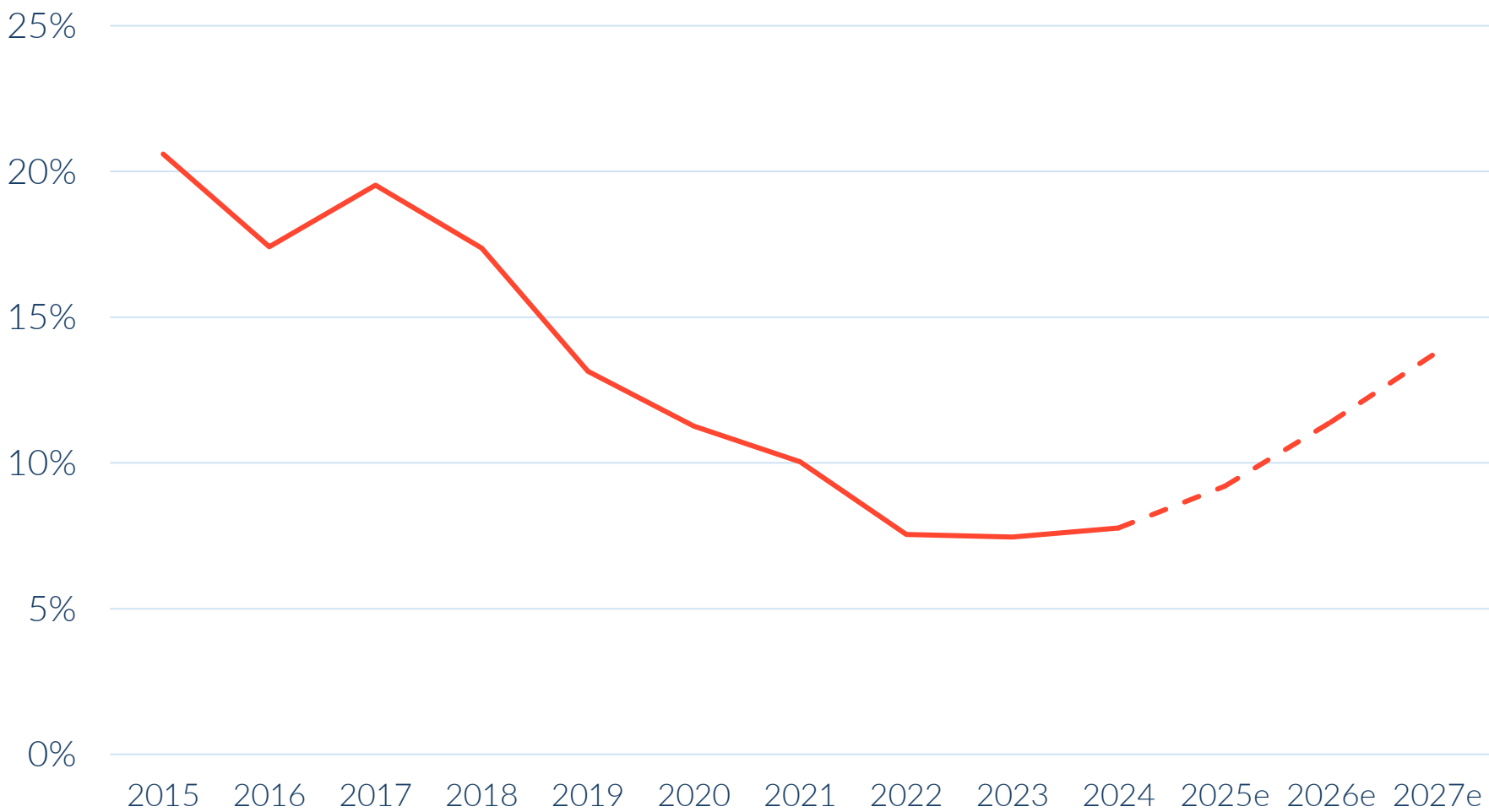
SELF-HELP OPPORTUNITIES



Metric	Short-to-Medium-Term Targets	Expectation for Completion
Volume Growth	1%-3%	1H25e
Revenue Growth	Greater than inflation	1H25e
Operating Margin	Double-digits	FY25e
ROIC	>WACC	FY24
Net Working Capital Days	67 Days	FY24
Portfolio Optimisation	5 segments identified*	FY25-FY26e
SKU Rationalisation	20%	1H25e

*Carozzi, HPC non-core brands, Baby Wellbeing already disclosed

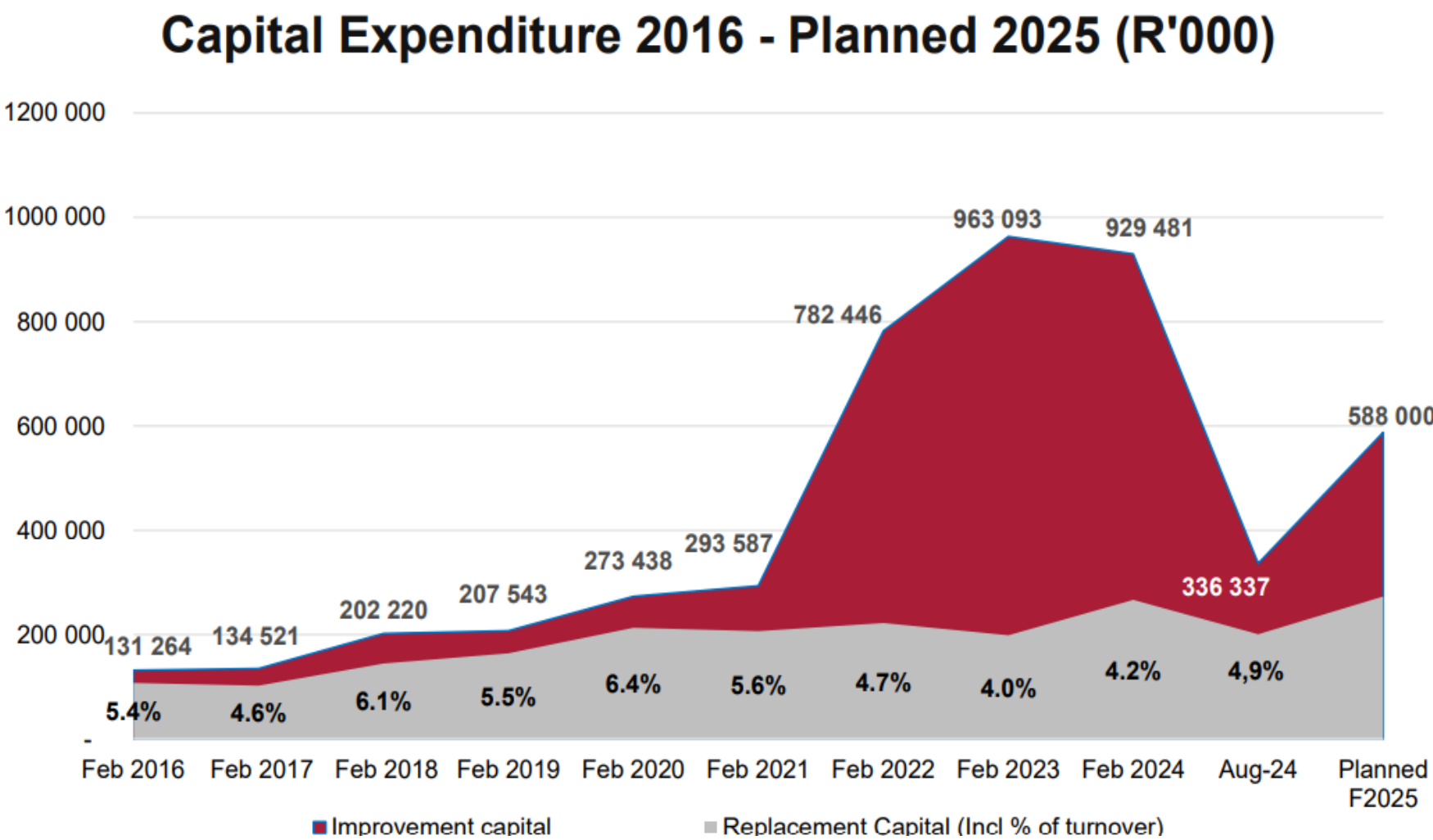
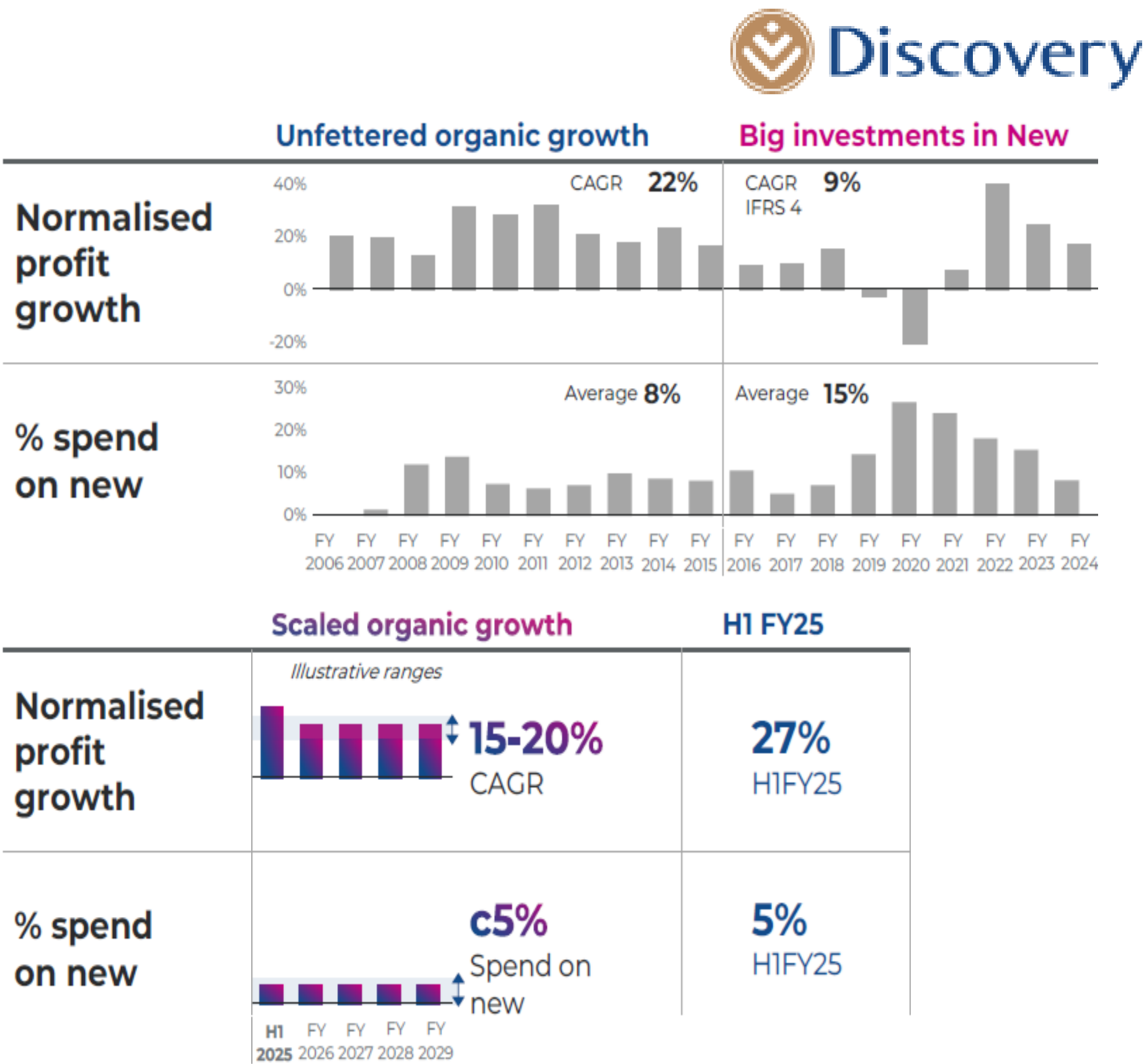
Milling & Baking EBIT Margin



Source: Company data & Bloomberg consensus estimates



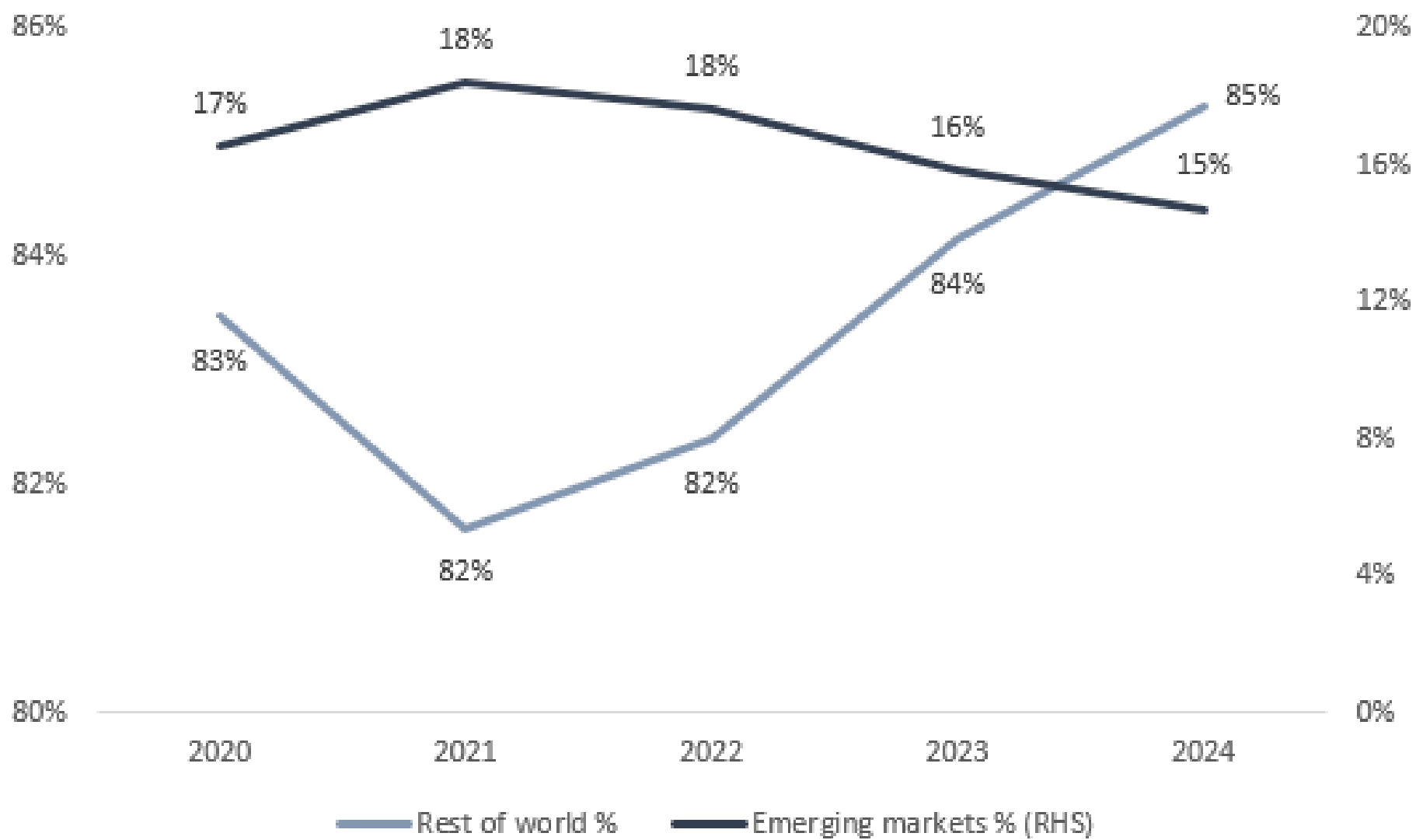
PAST INVESTMENT SET TO BEAR FRUIT



SEEKING GROWTH OUTSIDE SA

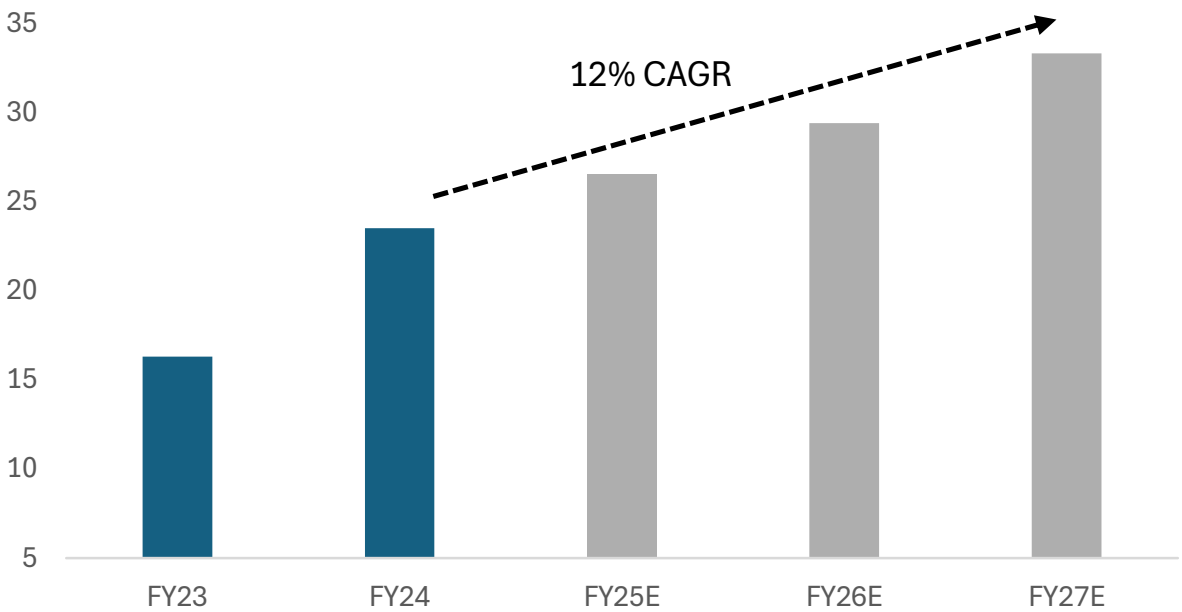


BID emerging markets % of total revenue is declining



Source: Company Data, Anchor Capital

Tencent projected EPS



Source: Bloomberg consensus



We are on a journey to create the next \$100B of value

ECOMMERCE
Strong Growth with Profitability

INDIA
Highlighting value with 5 potential IPOs in the next 18 months

Tencent 腾讯
Valuable asset with potential for value appreciation

RETURNING VALUE
Continuing our open-ended buyback program

INVESTING IN THE NEXT WAVE
Invest in new opportunities, with a focus on ecosystem & AI

OUR GOAL IS TO MAKE PROSUS OPERATIONS & INVESTMENTS AS VALUABLE AS TENCENT

MARKET SHARE GAINERS



Source: Company Data, NielsenIQ



Age ranges of our clients

18.8 million active clients 20 – 60 years old

Age range	SA population**	Capitec share
0-19	21.3 million	8.5%
20-35	17.9 million	53.6%
36-60	16.9 million	54.4%
>60	6.1 million	36.1%



*Compound annual growth rate
** Source: Stats SA 2022 Census

Digital clients

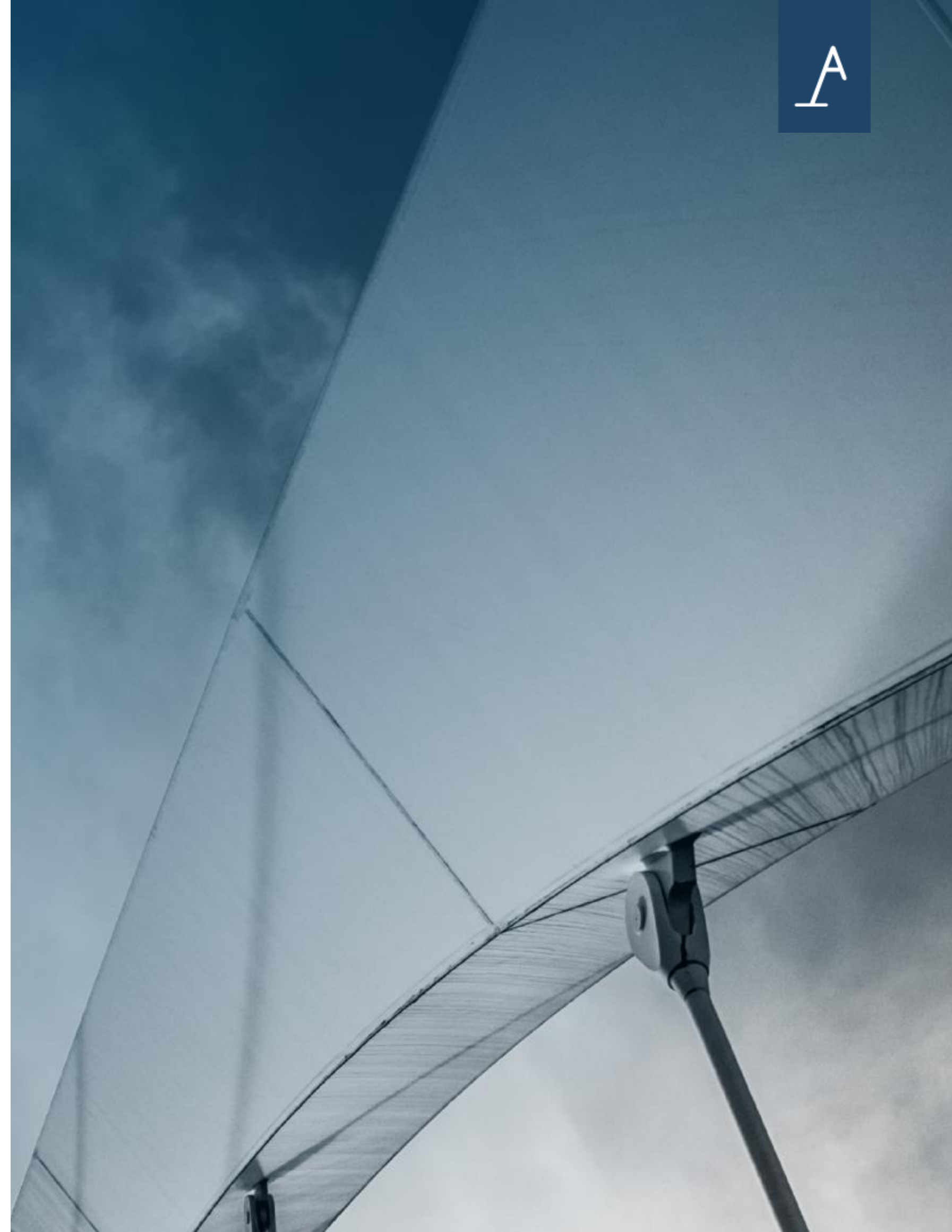


A TIME TO AVOID POTENTIAL LANDMINES...

- Investment cases built purely on the prospect of corporate action
- Weak balance sheets with refinancing risk ahead – avoid business rescue risk!
- Business models highly exposed to corporate sector contracts
- Betting on mean reversion of perennial sector underdogs / weak management
- Remember – business turnarounds without macro winds at your back are hard!

“There’s never just one cockroach in the kitchen when you start looking around”

(Warren Buffett)



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